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SUBJECT: US-BRAZIL MEETING ON THIRD COUNTRY AID COOPERATION

¶1. SUMMARY. On April 16, USAID and State met with the head of Brazil's Cooperation Agency (ABC), Marco Farani, to discuss development assistance cooperation in third countries, as a part of the U.S-Brazil Economic Partnership Dialogue (EPD). Both sides provided overviews of their development assistance programs, focusing the majority of the discussion on Haiti and Africa. See action request in para ¶9. END SUMMARY

¶2. On April 16, USAID Acting Assistant Administrator for Latin America and the Caribbean (LAC), Deborah Kennedy-Iraheta, USAID Deputy Assistant Administrator for Africa, Franklin Moore, and State Department Deputy Assistant Secretary, Christopher McMullen, hosted the head of Brazil ABC, Marco Farani, to discuss ideas for development cooperation in third countries. The USG was represented by 17 staff from USAID and State's Latin America, Africa and Economics bureaus, and one representative from USDA. Minister Farani was accompanied by Brazilian DCM Carlos Abreu and staff from the Brazilian Embassy.

¶3. Brazilian DCM Carlos Abreu opened the meeting for the Brazilian side by thanking the United States for setting up the meeting on development cooperation, which he said has become one of the most important issues on the EPD agenda. Farani presented an overview of ABC, noting that his staff included about 110 people currently, but he anticipated that he would be getting an additional 30-40 staff by June 2009. Because of its small size, ABC works very closely with Brazilian technical agencies and focuses much of their development efforts on capacity development in priority sectors for the host-government.

¶4. In Haiti, Brazil is focusing on three new programs: 1) establishment of a model farm by Brazil's agricultural research agency (EMBRAPA) to develop and train Haitians in optimum farming practices; 2) establishment of a center for vocational and technical training through Brazil's technical training agency (SENAI); and 3) engineering projects (including a hydroelectric plant) to be carried out by a 250-strong engineering contingent attached to Brazil's MINUSTAH peacekeeping forces. Brazil will fund the first two projects at USD \$12 million over the next three years, but is still looking for financing for the infrastructure projects (which might run to \$50-100 million). The GOB has two ABC staff in Haiti. Farani recounted the success that a famous Brazilian musician, Carlinhos Brown, had in rebuilding the slum where he'd grown up in Salvador, Bahia, and said that Brown had expressed interest in exploring a similar project in Haiti, working with Haitian performers.

¶5. Kennedy-Iraheta noted that USAID had programs in 108 countries around the world, with Colombia and Haiti being the largest in LAC. She told Farani that priority sectors for USAID LAC are security, job creation, and ICT (internet and telecommunications). Based on Brazil's projects in Haiti, she saw food security, tropical agriculture and energy/climate change as possible areas to explore cooperation. Farani suggested that as a starting point, the U.S. and Brazil begin drafting a proposal for a specific joint project in a designated country. In addition to the practical benefits of working together on the ground, he said that cooperation between the U.S. and Brazil was also symbolically important. Farani noted that an ABC mission would be in Haiti at the end of April.

¶6. Following the discussion on LAC, Farani described Brazil,s work in Africa, where Brazil has 18 programs, including an EMPRAPA representative in Accra, Ghana. Farani highlighted ABC,s collaboration with Embassy Brasilia in developing a USAID ) EMBRAPA food security proposal for Mozambique and USAID noted that they,d received the proposal from Ambassador Sobel. USAID DAA Moore described USAID Africa priority sectors as health (specifically HIV/AIDS and malaria), food security and climate change. Moore noted that the USAID food security and climate change strategies were still in development. Farani stated that Brazil was working with the Government of Mali to establish a model farm for cotton cultivation in four countries in West Africa, and Moore, noting that USAID had its own cotton project in the same region, suggested the two countries discuss collaboration.

¶7. In summing up the meeting, Kennedy-Iraheta stated that she would ask USAID,s Mission Director in Haiti to invite the Brazilian assessment team to a discussion of activities on the ground. Of particular interest might be &quick impact projects8 that could be identified for the Brazilian engineering team in MINUSTAH. Kennedy-Iraheta also recommended trilateral discussions for cooperation between the US, Brazil, and Mozambique, perhaps beginning with the upcoming visit of a delegation from Mozambique to Brazil. Farani proposed setting up a working group on Mozambique in Brasilia to continue the discussion. Finally, Kennedy-Iraheta suggested that the US and Brazil also explore areas for cooperation in East Timor.

¶8. In closing, it was suggested that the U.S. and Brazil could set up pilot projects to begin our work together in third countries. Haiti and Mozambique could be the pilot countries in Latin America and Africa respectively. DCM Abreu proposed a MOU between the U.S. and Brazil for cooperation in third countries (text forwarded to Brasilia by e-mail on April 17). DCM McMullen suggested that we could have a discussion on the MOU at the next EPD.

¶9. Action Request: Washington agencies (State, USDA, and USAID) will continue to discuss the USAID-EMBRAPA Mozambique food security proposal with each other and with posts. Washington welcomes posts, views on cooperation between Brazil and the US in development assistance. In particular, we solicit suggestions from Port-au-Prince and Maputo as to specific steps we might be able to take to foster greater cooperation, as well as challenges or issues that greater cooperation might entail.

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